

# **QUARTERLY REPORT**

**LICENSEE     TRUMP TAJ MAHAL CASINO RESORT**

**FOR THE QUARTER ENDED    DECEMBER 31, 2004**

**TO THE  
CASINO CONTROL COMMISSION  
OF THE  
STATE OF NEW JERSEY**



# BALANCE SHEETS

AS OF DECEMBER 31, 2004 AND 2003

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	DECEMBER 2004	DECEMBER 2003
	<b>ASSETS</b>		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 53,105	\$ 40,545
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2004, \$11,730; 2003, \$10,716).....	15,044	16,130
4	Inventories.....	4,765	4,810
5	Prepaid Expenses and Other Current Assets.....	4,386	4,140
6	Total Current Assets.....	77,300	65,625
7	Investments, Advances, and Receivables - CRDA.....	14,260	10,554
8	Property and Equipment - Gross.....	1,159,205	1,140,804
9	Less: Accumulated Depreciation and Amortization.....	(326,663)	(289,459)
10	Property and Equipment - Net.....	832,542	851,345
11	Other Assets..... NOTE 6.....	6,729	11,345
12	Total Assets.....	\$ 930,831	\$ 938,869
	<b>LIABILITIES AND EQUITY</b>		
	Current Liabilities:		
13	Accounts Payable.....	\$ 10,291	\$ 12,311
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	-	-
16	Other..... NOTE 1 & 4.....	11,965	9,960
17	Income Taxes Payable and Accrued..... NOTE 2.....	6,136	3,969
18	Other Accrued Expenses..... NOTE 5.....	81,856	26,678
19	Other Current Liabilities.....	9,167	10,029
20	Total Current Liabilities.....	119,415	62,947
	Long-Term Debt:		
21	Due to Affiliates..... NOTE 1 & 4.....	836,750	836,447
22	Other..... NOTE 4.....	17,486	10,257
23	Deferred Credits.....	-	-
24	Other Liabilities.....	400	400
25	Commitments and Contingencies..... NOTE 7.....		
26	Total Liabilities.....	974,051	910,051
27	Stockholders', Partners', or Proprietor's Equity (Deficit)..... NOTE 8.....	(43,220)	28,818
28	Total Liabilities and Equity.....	\$ 930,831	\$ 938,869

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

# STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004 AND 2003

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	<b>REVENUE:</b>		
1	Casino.....	\$ 496,350	\$ 511,896
2	Rooms.....	33,028	33,435
3	Food and Beverage.....	56,120	54,973
4	Other.....	20,223	16,888
5	Total Revenue.....	605,721	617,192
6	Less: Promotional Allowances.....	135,691	129,899
7	Net Revenue.....	470,030	487,293
	<b>COSTS AND EXPENSES:</b>		
8	Cost of Goods and Services.....	281,818	283,199
9	Selling, General and Administrative.....	70,707	74,072
10	Provision for Doubtful Accounts.....	2,926	3,744
11	Total Costs and Expenses.....	355,451	361,015
12	Gross Operating Profit.....	114,579	126,278
13	Depreciation and Amortization.....	49,269	44,405
	Charges from Affiliates Other than Interest.....	-	-
14	Management Fees.....	-	-
15	Other..... NOTE 6.....	6,066	6,099
16	Income (Loss) from Operations.....	59,244	75,774
	<b>Other Income (Expenses):</b>		
17	Interest Income (Expense) - Affiliates..... NOTE 1 & 4.....	(96,504)	(96,629)
18	Interest Income (Expense) - External..... NOTE 4.....	(2,493)	(1,686)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(2,100)	(3,405)
20	Nonoperating Income (Expense) - Net..... NOTE 1.....	(2,426)	344
21	Total Other Income (Expenses).....	(103,523)	(101,376)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(44,279)	(25,602)
23	Provision (Credit) for Income Taxes..... NOTE 2.....	2,517	2,400
24	Income (Loss) Before Extraordinary Items.....	(46,796)	(28,002)
25	Extraordinary Items (Net of Income Taxes- 2004, \$ ____ ; 2003, \$ ____ ).....	-	-
26	Net Income (Loss).....	\$ (46,796)	\$ (28,002)

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2004 AND 2003

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	REVENUE:		
1	Casino.....	\$ 118,658	\$ 116,673
2	Rooms.....	8,124	7,928
3	Food and Beverage.....	13,185	12,458
4	Other.....	4,404	3,945
5	Total Revenue.....	144,371	141,004
6	Less: Promotional Allowances.....	34,043	30,156
7	Net Revenue.....	110,328	110,848
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	67,671	66,039
9	Selling, General and Administrative.....	17,984	17,604
10	Provision for Doubtful Accounts.....	901	895
11	Total Costs and Expenses.....	86,556	84,538
12	Gross Operating Profit.....	23,772	26,310
13	Depreciation and Amortization.....	12,699	11,704
14	Charges from Affiliates Other than Interest.....	-	-
15	Management Fees.....	-	-
15	Other..... NOTE 6.....	1,372	1,139
16	Income (Loss) from Operations.....	9,701	13,467
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTE 1 & 4.....	(23,831)	(24,130)
18	Interest Income (Expense) - External..... NOTE 4.....	(774)	(483)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(505)	(507)
20	Nonoperating Income (Expense) - Net..... NOTE 1.....	(2,466)	272
21	Total Other Income (Expenses).....	(27,576)	(24,848)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(17,875)	(11,381)
23	Provision (Credit) for Income Taxes..... NOTE 2.....	605	594
24	Income (Loss) Before Extraordinary Items.....	(18,480)	(11,975)
25	Extraordinary Items (Net of Income Taxes- 2004, \$ ____ ; 2003, \$ ____ ).....	-	-
26	Net Income (Loss).....	\$ (18,480)	\$ (11,975)

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003  
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2004

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	   (e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2002.....	\$72,501	(\$7,764)		\$64,737
2	Net Income (Loss) - 2003.....		(28,002)		(28,002)
3	Capital Contributions.....				
4	Capital Withdrawals.....				
5	Partnership Distributions..... NOTE 8.....	(7,917)			(7,917)
6	Prior Period Adjustments.....				
7	.....				
8	.....				
9	.....				
10	Balance, December 31, 2003.....	64,584	(35,766)		28,818
11	Net Income (Loss) - 2004.....		(46,796)		(46,796)
12	Capital Contributions..... NOTE 8.....	8,232			8,232
13	Capital Withdrawals.....				
14	Partnership Distributions..... NOTE 8.....	(33,474)			(33,474)
15	Prior Period Adjustments.....				
16	.....				
17	.....				
18	.....				
19	Balance, December 31, 2004.....	\$39,342	(\$82,562)		(\$43,220)

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004 AND 2003

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 65,409	\$ 24,137
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(9,218)	(13,889)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(6,259)	(5,746)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) by Investing Activities.....	(15,477)	(19,635)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(12,130)	(8,851)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	8,232	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21	Partnership Distribution.....	(33,474)	(7,917)
22	Cash Disbursed for Capital Contribution.....	-	-
23	Net Cash Provided (Used) by Financing Activities.....	(37,372)	(16,768)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	12,560	(12,266)
25	Cash and Cash Equivalents at Beginning of Period.....	40,545	52,811
26	Cash and Cash Equivalents at End of Period.....	\$ 53,105	\$ 40,545
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 41,772	\$ 93,786
28	Income Taxes.....	\$ 350	\$ 375

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004 AND 2003

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ (46,796)	\$ (28,002)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	49,269	44,405
31	Amortization of Other Assets (Bond Discount).....	125	157
32	Amortization of Debt Discount or Premium.....	1,864	2,338
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	2,100	3,405
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	1,086	(521)
39	Net (Increase) Decrease in Inventories.....	45	336
40	Net (Increase) Decrease in Other Current Assets.....	(246)	(315)
41	Net (Increase) Decrease in Other Assets.....	233	(5,108)
42	Net Increase (Decrease) in Accounts Payable.....	(2,020)	(310)
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	57,052	7,752
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	-	-
45	Reorganization Expense.....	2,697	-
46		-	-
47	Net Cash Provided (Used) by Operating Activities.....	\$ 65,409	\$ 24,137

## SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (30,582)	\$ (27,118)
49	Less: Capital Lease Obligations Incurred.....	21,364	13,229
50	Cash Outflows for Property and Equipment.....	\$ (9,218)	\$ (13,889)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ -	\$ -
52	Goodwill Acquired.....	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ 0	\$ 0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions/Partnership Distribution.....	\$ 8,232	\$ -
58	Plus: Issuances of Long-Term Debt to Affiliates, Net of Costs.....	-	-
59	Plus: Elimination of Amounts Due from Affiliates.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 8,232	\$ 0

The accompanying notes are an integral part of the financial statements.  
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**TRUMP TAJ MAHAL CASINO RESORT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**  
**(Unaudited)**

**NOTE 1 - GENERAL**

*Organization and Operations*

Trump Taj Mahal Associates, a New Jersey general partnership ("Taj Associates" or the "Company") is 100% beneficially owned by Trump Atlantic City Associates, a New Jersey general partnership ("TAC"). TAC is 100% beneficially owned by Trump Hotels & Casino Resorts Holdings, L.P., a Delaware limited partnership ("THCR Holdings") of which Trump Hotels & Casino Resorts, Inc., a Delaware corporation ("THCR"), is the sole general partner. In addition, TAC beneficially wholly owns Trump Plaza Associates, a New Jersey general partnership ("Plaza Associates"), which owns and operates the Trump Plaza Hotel and Casino (the "Trump Plaza") located in Atlantic City, New Jersey.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. The Taj Mahal and Trump Plaza are collectively referred to as the "Trump Atlantic City Properties." The Atlantic City market is very competitive, especially since the opening of the Borgata Casino Hotel and Spa by a joint venture of MGM Mirage and Boyd Gaming in Atlantic City's marina district in July 2003, and is anticipated to become more competitive in the future. Taj Associates derives its revenue from casino operations, room rental, food and beverage sales, and entertainment revenue.

TAC's cash flows have generally been sufficient to fund operations and make interest payments when due (although, with respect to the interest payment scheduled to be paid on the Trump Atlantic City Mortgage Notes ("TAC Notes") on May 1, 2004, TAC utilized the thirty-day grace period provided under the applicable indentures and delayed payment until May 27, 2004 and in contemplation of filing the chapter 11 cases, TAC did not make the interest payment scheduled to be paid on the TAC Notes on November 1, 2004). Nonetheless, TAC's core businesses have not generated cash flows necessary to reinvest in the maintenance or expansion of TAC's hotel and casino properties at levels consistent with those of its competitors.

On October 21, 2004, THCR, TAC, Trump Casino Holdings, LLC ("TCH"), a Delaware single member limited liability company and subsidiary of THCR, and certain of their affiliates entered into a restructuring support agreement (the "Restructuring Support Agreement") with certain holders of the TAC Notes and the 11.625% First Mortgage Notes due 2010 (the "TCH First Priority Notes") and the 17.625% Second Mortgage Notes due 2010 (the "TCH Second Priority Notes," together with the TCH First Priority Notes, the "TCH Notes") of TCH and Donald J. Trump ("Mr. Trump"), as a beneficial owner of THCR's debt and equity securities. THCR's participation in this recapitalization process was overseen by the special committee comprised of THCR's independent directors. The Restructuring Support Agreement provides for, among other things, a restructuring of THCR's approximately \$1.8 billion aggregate principal amount of public indebtedness, including the TAC Notes, and a recapitalization of THCR's capital structure.

*Chapter 11 Filing*

On November 21, 2004, THCR and its subsidiaries (collectively the "Debtors") filed voluntary petitions in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court") under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") (Case Nos. 04-46898 through 04-46925). Information concerning the cases is available on the Debtors' website at [www.THCRrecap.com](http://www.THCRrecap.com) (our website address provided in this annual report on Form 10-K is not intended to function as a hyperlink and the information on our website is not and should not be considered part of this report and is not incorporated by reference in this document). The Debtors remain in possession of their assets and properties, and continue to operate their business and manage their properties as "debtors-in-possession" pursuant to sections 1107 (a) and 1108 of the Bankruptcy Code.



**TRUMP TAJ MAHAL CASINO RESORT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**  
**(Unaudited)**

As a result of the Debtors' chapter 11 filing, events of default may be deemed to have occurred under the indentures governing the TAC Notes. As a result of such defaults, the principal amount plus accrued and unpaid interest on the TAC Notes could be accelerated and become due and payable immediately, among other remedies. Due to the chapter 11 filing, however, the ability of creditors to seek remedies to enforce their rights are stayed and creditor rights of enforcement are subject to the applicable provisions of the Bankruptcy Code. Furthermore, pursuant to the Restructuring Support Agreement, noteholders signatory to such agreement have agreed to support the prenegotiated plan of reorganization (the "Plan") of the Debtors anticipated by the Debtors' chapter 11 filing pursuant to the terms of such agreement, and have agreed not to exercise any rights under the indentures governing the TAC Notes or TCH Notes, except as consistent with such agreement.

The Debtors' chapter 11 filing would also constitute an event of default under certain secured lease financing agreements (the "Capital Leases") between PDS Gaming Corporation and certain of the Debtors. Under the Bankruptcy Code, however, the ability of creditors to seek remedies to enforce their rights under the Capital Leases and other agreements are stayed and creditor rights of enforcement are subject to the applicable provisions of the Bankruptcy Code. In addition, the Company contemplates that the claims of certain secured creditors, including PDS Gaming Corporation with respect to the Capital Leases, will be unimpaired under the Plan.

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor is authorized to continue to operate its business in the ordinary course and to reorganize its business for the benefit of its creditors. A debtor-in-possession under chapter 11 may not engage in transactions outside the ordinary course of business without approval of the bankruptcy court, after notice and an opportunity for a hearing. In addition to permitting the rehabilitation of the debtor, section 362 of the Bankruptcy Code generally provides for an automatic stay of substantially all judicial, administrative and other actions or proceedings against a debtor and its property, including all attempts to collect claims or enforce liens that arose prior to the commencement of the debtor's chapter 11 case. Also, the debtor may assume or reject pre-petition executory contracts and unexpired leases pursuant to section 365 of the Bankruptcy Code and other parties to executory contracts or unexpired leases being rejected may assert rejection damage claims as permitted thereunder.

The consummation of a plan of reorganization is a principal objective of a chapter 11 case. A plan of reorganization sets forth the means for treating claims against, and interests in, a debtor. Confirmation of a plan of reorganization by a bankruptcy court makes the plan binding upon the debtor, any issuer of securities under the plan, any person acquiring property under the plan and any creditor or interest holder of the debtor. Subject to certain limited exceptions, an order of a bankruptcy court confirming a plan of reorganization discharges the debtor from any debt that arose prior to the date of confirmation of the plan, and substitutes therefor the obligations specified under the confirmed plan. On February 14, 2005, the Bankruptcy Court approved the Debtors' disclosure statement (the "Disclosure Statement"), which summarizes the Plan, as containing adequate information, as such term is defined in section 1125 of the Bankruptcy Code, and authorized the Debtors to solicit votes from creditors and other stakeholders on whether or not to accept the Plan. The Debtors commenced such solicitation on February 22, 2005.

As set forth in the Plan, the Bankruptcy Court established February 9, 2005 as the record date for voting to accept or reject the Plan, and March 21, 2005 as the deadline for returning completed ballots (with the exception of securities held in "street name" (i.e., through a brokerage firm, trust company or other nominee), for which the deadline for submitting ballots to the applicable nominee was March 21, 2005, and the deadline for such nominee to return completed ballots to the Debtors' voting agent was March 23, 2005). The voting agent for the Debtors has completed its preliminary tabulation of ballots submitted by eligible creditors and stakeholders to accept or reject the Plan. Based on such analysis, the Debtors believe they have received acceptances from significant majorities of classes entitled to vote on the Plan. In addition, on March 30, 2005, the Debtors, the official committee of THCR's equity holders appointed in the Debtors' chapter 11 cases (the "Equity Committee"), the informal committees of holders of TAC Notes and TCH Notes and Donald J. Trump executed a stipulation, pursuant to which the co-chairs of the Equity Committee, which hold over five million shares of THCR's common stock and had originally voted against the Plan, agreed to withdraw such votes and instead vote in favor of the Plan, as amended. Based on such support, as well as the acceptances of the Plan already received, the Debtors believe they will receive acceptances from the requisite number and amount of claims and interests represented by creditors and stakeholders to confirm the Plan. The Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan on April 5, 2005. The Debtors will emerge from bankruptcy if and when the Bankruptcy Court approves the Plan and all conditions to the consummation of the Plan have been satisfied or waived.

**TRUMP TAJ MAHAL CASINO RESORT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**  
**(Unaudited)**

As part of the Plan, Mr. Trump would make a \$55 million cash investment in the Debtors and contribute approximately \$16.4 million principal amount of TCH Second Priority Notes owned by him (at 90% of the face amount thereof). Upon the consummation of the Plan, Mr. Trump would beneficially own 29.16% of recapitalized THCR's common stock (and/or common stock equivalents) on a fully-diluted basis (excluding any shares reserved for issuance under management stock incentive plans), consisting of (i) approximately 9.12% in exchange for Mr. Trump's \$55 million cash investment, (ii) approximately 2.53% in exchange for Mr. Trump's contribution of approximately \$16.4 million aggregate principal face amount of TCH Second Priority Notes beneficially owned by him (including interest accrued thereon), (iii) approximately 11.02% in return for entering into the trademark license agreement described below and agreeing to modifications to certain existing contractual relationships between Mr. Trump and the Debtors (including entering into a new services agreement with THCR and THCR Holdings), (iv) approximately 0.06% representing his existing equity interests after dilution upon the issuance of the recapitalized THCR's common stock, (v) approximately 3.5% issuable upon the exercise of certain ten-year warrants to be issued to Mr. Trump upon consummation of the Plan, having an exercise price equal to 1.5 times the per share purchase price at which Mr. Trump makes his \$55 million investment, and (vi) approximately 2.95% issuable upon exercise of the New Class A Warrants (as defined below) to be issued to Mr. Trump upon consummation of the Plan. Mr. Trump would also receive THCR Holdings' 25% interest in the Miss Universe Pageant, which had no recorded net book value at December 31, 2004. The recapitalized Debtors would also enter into the following agreements with Mr. Trump:

- a services agreement that would have a three-year rolling term, pay Mr. Trump \$2 million per year, plus a discretionary annual bonus, reimburse Mr. Trump for certain travel and customary administrative expenses incurred by Mr. Trump in his capacity as chairman, and terminate his existing executive agreement;
- an amended and restated trademark license agreement, which would grant THCR Holdings a perpetual, exclusive, royalty-free license to use Mr. Trump's name and likeness in connection with the Debtors' casino and gaming activities, subject to certain terms and conditions, and terminate Mr. Trump's existing trademark license agreement with THCR;
- a three-year right of first offer agreement, pursuant to which the Trump Organization LLC, Mr. Trump's controlled affiliate, would be granted a three-year right of first offer to serve as project manager, construction manager and/or general contractor with respect to construction and development projects for casinos, casino hotels and related lodging to be performed by third parties on the Debtors' existing and future properties, subject to certain terms and conditions;
- a voting agreement that would determine the composition of recapitalized THCR's board of directors for a certain period, subject to certain terms and conditions and applicable law; and
- an amended and restated partnership agreement of THCR Holdings, which would, among other things, require the affirmative vote of Mr. Trump with respect to the sale or transfer of one or more of THCR's current properties; provided, however, that THCR could sell or transfer such properties without Mr. Trump's consent if THCR Holdings indemnified Mr. Trump up to an aggregate of \$100 million for the U.S. federal income tax consequences to Mr. Trump associated with such sale or transfer.

Recapitalized THCR would also adopt an amended and restated certificate of incorporation and bylaws, and certain other Debtors would also adopt amended and restated organizational documents.

Under the Plan, holders of TAC Notes would exchange their notes for approximately \$777.3 million aggregate principal amount of New Notes (as defined below), approximately \$384.3 million of common stock (approximately 63.69% of the shares of common stock of recapitalized THCR on a fully diluted basis (excluding any shares reserved for issuance under management stock incentive plans)), and an additional amount in cash equal to simple interest accrued on approximately \$777.3 million of New Notes (as defined below) at the annual rate of 8.5% from the last scheduled date to which interest was paid with respect to the TAC Notes (or May 1, 2004) through the effective date of the Plan. In addition, on or following the first anniversary of the effective date, holders of TAC Notes would receive (i) the cash proceeds from the exercise of New Class A Warrants (as defined below), plus any interest accrued thereon and (ii) if any of the New Class A Warrants are not exercised, the shares of recapitalized THCR's common stock reserved for issuance upon exercise of such warrants.

**TRUMP TAJ MAHAL CASINO RESORT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**  
**(Unaudited)**

Holders of TCH First Priority Notes would exchange their notes for approximately \$425 million aggregate principal amount of New Notes, \$21.25 million in cash, approximately \$8.5 million of common stock (approximately 1.41% of the shares of common stock of recapitalized THCR on a fully diluted basis (excluding any shares reserved for issuance under management stock incentive plans)), and an additional amount in cash equal to simple interest accrued on \$425 million at the annual rate of 12.625% through the effective date of the Plan (such payments to be made on the regularly scheduled interest payment dates for the TCH First Priority Notes).

The unaffiliated holders of TCH Second Priority Notes would exchange their notes for approximately \$47.7 million aggregate principal amount of New Notes, approximately \$2.3 million in cash, approximately \$2.1 million of common stock (approximately 0.35% of the shares of common stock of recapitalized THCR on a fully diluted basis (excluding shares reserved for issuance under management stock incentive plans)) and an additional amount in cash equal to simple interest accrued on (i) \$54.6 million at the annual rate of 18.625% from the last scheduled date to which interest was paid with respect to the TCH Second Priority Notes to the date that is ninety days after the petition date for the chapter 11 cases (or February 21, 2005), and (ii) approximately \$47.7 million at the annual rate of 8.5% from the ninety-first day after the petition date (or February 22, 2005) through the effective date of the Plan.

THCR's existing common stockholders (excluding Mr. Trump) would receive nominal amounts of common stock of recapitalized THCR (approximately 0.05% of the shares on a fully diluted basis (excluding shares reserved for issuance under management stock incentive plans)), and would receive New Class A Warrants to purchase up to approximately 5.34% of recapitalized THCR's new common stock on a fully diluted basis, as described below. All existing options to acquire common stock of THCR or its affiliates would be cancelled. THCR's unaffiliated common stockholders would also receive an aggregate of \$17.5 million in cash, and as well as the net proceeds of the sale of a parcel of land owned by the Debtors in Atlantic City, New Jersey constituting the former World's Fair site, which may be developed for non-gaming related use and had a net book value of \$17.9 million at December 31, 2004. The sale of such property would occur after the effective date of the Plan.

On the effective date, the Debtors would issue one-year warrants (the "New Class A Warrants") to purchase shares of recapitalized THCR's common stock at an aggregate purchase price of \$50 million, or approximately 8.29% of THCR's fully diluted common stock (excluding any shares reserved for issuance under management stock incentive plans). The unaffiliated common stockholders would receive New Class A Warrants to purchase up to approximately 5.34% of recapitalized THCR's common stock and Mr. Trump would receive the remaining Class A Warrants to purchase approximately 2.95% of recapitalized THCR's common stock. Proceeds from the exercise of New Class A Warrants (plus any interest accrued thereon), and any shares reserved for issuance of such warrants that have not been exercised, would be distributed to holders of TAC Notes on or following the first anniversary of the effective date of the Plan.

The "New Notes" would be issued by THCR Holdings and Trump Hotels & Casino Resorts Funding, Inc., bear interest at an annual rate of 8.5% and have a ten-year maturity. The New Notes would be secured by a security interest in substantially all of the Debtors' real property and incidental personal property and certain other assets of the Debtors, subject to liens securing a \$500 million working capital facility (the "Exit Facility") to be entered into on the effective date of the Plan and certain other permitted liens.

As part of the Plan, THCR would implement a 1,000 for 1 reverse stock split of the existing common stock of THCR, such that each 1,000 shares of common stock immediately prior to the reverse stock split would be consolidated into one share of new common stock of recapitalized THCR. The aggregate fractional share interests beneficially owned by each holder of existing shares of common stock would be rounded up to the nearest whole number.

On November 22, 2004, the Debtors entered into a debtor-in-possession financing (the "DIP Facility") providing up to \$100 million of borrowings during the Debtors' chapter 11 cases, secured by a first priority priming lien on substantially all the assets of the Debtors, including the assets securing the TAC Notes. On the effective date of the Plan, the Debtors expect to enter into the Exit Facility, which would be secured by a first priority security interest in substantially all the Debtors' assets, senior to the liens securing the New Notes.

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There can be no assurance that the Bankruptcy Court will confirm the Plan or approve the other transactions contemplated in connection with the Plan. If the Company is not successful in its financial restructuring efforts, the Company will not be able to continue as a going concern.

*Accounting Impact of Chapter 11 Filing*

The accompanying financial statements have been prepared in accordance with AICPA Statement of Position No. (SOP) 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" ("SOP 90-7") and on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. The ability of THCR and Taj Associates, both during and after the chapter 11 cases, to continue as a going concern is dependent upon, among other things, (i) the ability of THCR and Taj Associates to successfully achieve required cost savings to complete its restructuring; (ii) the ability of THCR and Taj Associates to maintain adequate cash on hand; (iii) the ability of THCR and Taj Associates to generate cash from operations; (iv) the ability of THCR and Taj Associates to confirm a plan of reorganization under the Bankruptcy Code and obtain emergence financing; (v) the ability of THCR and Taj Associates to maintain its customer base; and (vi) THCR's and Taj Associates ability to achieve profitability. There can be no assurance that THCR and Taj Associates will be able to successfully achieve these objectives in order to continue as a going concern. The accompanying financial statements do not include any adjustments that might result should THCR and Taj Associates be unable to continue as a going concern.

Liabilities subject to compromise in the accompanying balance sheets refer to certain of the liabilities of the Debtors incurred prior to the petition date of the chapter 11 cases. In accordance with SOP 90-7, liabilities subject to compromise are recorded at the estimated amount that is expected to be allowed as pre-petition claims in the chapter 11 proceedings and are subject to future adjustments. Adjustments may result from negotiations, actions of the Bankruptcy Court, further developments with respect to disputed claims, rejection of executory contracts and unexpired leases, proofs of claim, implementation of the Plan, or other events. Liabilities subject to compromise consisted of the following as of December 31, 2004:

Non-current liabilities subject to compromise:  
TAC Notes

\$ 836,750,000

In order to record its debt instruments at the amount of claim expected to be allowed by the Bankruptcy Court in accordance with SOP 90-7, as of the chapter 11 petition date, Taj Associates wrote off as reorganization expense its deferred financing fees and unamortized debt discount associated with the TAC Notes in order to reflect such debt instruments at their par value. Reorganization expense also includes professional fees and other expenses directly associated with the bankruptcy process.

The following table summarizes reorganization expense for the year ended December 31, 2004:

Write-off of deferred financing costs	\$ 2,519,000
Accretion of unamortized debt discount	<u>178,000</u>
	\$ <u>2,697,000</u>

The Company is required to accrue interest expense during the chapter 11 proceedings only to the extent that it is probable that such interest will be paid pursuant to the proceedings. The Company recognized interest expense subsequent to the chapter 11 petition date with respect to the current terms of its debt and its capital lease obligations. The Plan may allow for a reduction in the amount of accrued interest to be paid upon the confirmation of the Plan.

Based on the current terms of the Plan, the Company believes it would qualify for and be required to implement the "Fresh Start" accounting provisions of SOP 90-7 upon emergence from bankruptcy, which would establish a "fair value" basis for the carrying value of the assets and liabilities of the reorganized Company. The application of "Fresh Start" accounting on the Company's financial statements may result in material changes in the amounts and classifications of the Company's non-current assets (including property and equipment). However, the potential impact cannot be determined at this time.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Gaming revenues represent the net win from gaming activities, which is the difference between amounts of gaming wins and losses. Revenues from hotel and other services are recognized at the time the related services are performed.

Taj Associates provides an allowance for doubtful accounts arising from casino, hotel and other services, which is based upon a specific review of certain outstanding receivables as well as historical collection information. In determining the amount of the allowance, management is required to make certain estimates and assumptions. Actual results could differ from those estimates and assumptions.

Promotional Allowances

The retail value of accommodations, food, beverage and other services provided to patrons without charge is included in gross revenues and deducted as promotional allowances. The estimated departmental costs of providing such promotional allowances are included in costs of goods and services in the accompanying statements of income and consist of the following:

	Years Ended December 31,	
	2004	2003
Rooms .....	\$ 11,711,000	\$ 10,894,000
Food and Beverage .....	32,967,000	32,406,000
Other .....	4,566,000	3,134,000
	<u>\$ 49,244,000</u>	<u>\$ 46,434,000</u>

Promotional allowances also include volume based cash rebates and coin given to patrons.

Cash discounts based upon a negotiated amount with each patron are recognized as a promotional allowance on the date the related revenue is recorded. Cash-back program awards that are given to patrons based upon earning points for future awards are accrued as the patron earns the points. The amount is recorded as a promotional allowance in the statements of income. When estimating the amount of the accrual, Taj Associates calculates a redemption rate based upon historical redemption rates.

Taj Associates offers other incentive programs. These programs are monthly gifts and other promotional items. Management elects the type of gift and the person to whom it will be given. Since these awards are not cash awards, Taj Associates records them as costs of goods and services in the statements of income. Such amounts are expensed on the date the award can be utilized by the patron.

Statements of Cash Flows

For purposes of the statements of cash flows, cash and cash equivalents include hotel and casino funds, funds on deposit with banks and temporary investments purchased with a maturity date of three months or less. Reorganization items were disclosed separately within the operating, investing, and financing categories of the statement of cash flows, as applicable.

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Inventories

Inventories of provisions and supplies are carried at the lower of cost (weighted average) or market value.

Property and Equipment

Property and equipment is carried at cost and is depreciated on the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from three to seven years for furniture, fixtures and equipment and 40 years for buildings and building improvements. Leasehold improvements are amortized over the term of the related lease commencing in the period these assets are placed in service. Depreciation expense includes amortization of assets under capital lease obligations.

Long-Lived Assets

In accordance with the provisions of Statement of Financial Accounting Standards No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," management assesses the carrying values of Taj Associates assets when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from the estimated future cash flows expected to result from its use. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as the effect of demand, competition and other economic factors. In circumstances in which undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the asset. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the operating unit level, which for most of our assets is the individual casino. In estimating the fair value of an asset, management utilizes the prices of similar assets and the results of other valuation techniques. Taj Associates does not believe that any such changes have occurred.

Deferred Financing Costs

Financing costs, including underwriters' discounts and direct transactional fees (including accounting, legal and printing), associated with the issuance of debt have been capitalized as deferred bond and loan issuance costs in the accompanying balance sheet and are being amortized to interest expense over the terms of the related debt. In order to record its debt instruments at the amount of the claim expected to be allowed by the Bankruptcy Court in accordance with SOP 90-7, Taj Associates wrote off as reorganization expense the unamortized deferred bond and loan issuance costs associated with the TAC Notes. Such write-off reflected these debt instruments at par value. Deferred transaction costs on the Plan include amounts currently capitalized and related to the Plan. Such costs will be amortized to interest expense over the terms of the New Notes. For costs incurred related to refinancing efforts no longer pursued and transactional fees earned by employees upon the successful completion of a debt refinancing, such amounts are expensed as incurred. Professional fees directly relating to the chapter 11 proceeding were expensed as incurred and recorded as reorganization expense.

Income Taxes

The accompanying financial statements do not include a provision for federal income taxes since Taj Associates is a partnership for federal income tax purposes and therefore income and losses are allocated and reported for federal income tax purposes by the partners.

Under the New Jersey Casino Control Act (the "Casino Control Act") Taj Associates is required to file a New Jersey corporation business tax return. At December 31, 2004, Taj Associates had state net operating loss carryforwards of approximately \$146,650,000, which is available to offset taxable income through the year 2011. The net operating loss carryforward results in a deferred state tax asset of \$13,200,000 which has been offset by a full valuation allowance as utilization of such carryforward is not certain. These New Jersey State net operating loss carryforwards expire from 2005 through 2011.

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On July 3, 2002, the State of New Jersey passed the New Jersey Business Tax Reform Act (the "Act"). This Act, among other things, required a two-year suspension of the use of New Jersey net operating loss carryforwards for 2002 and 2003 and imposed a two year New Jersey net operating loss carryforward limitation (limited to 50% of taxable income) for 2004 and 2005. It also imposed a new alternative minimum assessment amount under the New Jersey corporate business tax based on either gross receipts or gross profits, as defined. The Act is retroactive to January 1, 2002. In accordance with the Act, Taj Associates recorded a provision for current New Jersey income tax expense of \$2,167,000 and \$2,225,000 for the years ended December 31, 2004 and 2003, respectively.

On July 1, 2003, the New Jersey legislature passed a law that increased the taxation of New Jersey casinos. The new law imposes, among other taxes, a New Jersey profits tax which imposes a 7.5% tax on each casino's 2002 adjusted net income (defined as net income plus management fees) subject to a minimum annual tax of \$350,000. The tax is assessed during the period from July 1 to June 30, to be consistent with the fiscal year of the State of New Jersey. For the years ended December 31, 2004 and 2003, Taj Associates recorded a charge to income tax expense on the statements of income for \$350,000 and \$175,000, respectively related to the New Jersey profits tax.

As a result of the transactions discussed in Note 1, a portion of the net operating loss carryforwards may be utilized.

Advertising Expense

Taj Associates expenses advertising costs as they are incurred. Advertising expense was \$3,345,000 and \$2,868,000 for the years ended December 31, 2004 and 2003, respectively.

Recent Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities, an interpretation of ARB 51." According to such interpretation, the primary objectives of this interpretation were to provide guidance on the identification of entities for which control is achieved through means other than through voting rights ("variable interest entities") and how to determine when and which business enterprise (the "primary beneficiary") should consolidate the variable interest entity. This new model for consolidation applies to an entity in which either (i) the equity investors (if any) do not have a controlling financial interest; or (ii) the equity investment at risk is insufficient to finance that entity's activities without receiving additional subordinated financial support from other parties. In addition, FIN 46 requires that the primary beneficiary, as well as all other enterprises with a significant variable interest in a variable interest entity, make additional disclosures. Adoption of this pronouncement did not have a material impact on Taj Associates consolidated financial position, consolidated results of operations, or liquidity.

Reclassifications

Certain reclassifications and disclosures have been made to prior year financial statements in order to conform to the current year presentation.

**NOTE 3 - PROPERTY AND EQUIPMENT**

	December 31,	
	2004	2003
Land .....	\$ 74,568,000	\$ 74,568,000
Buildings .....	919,648,000	919,269,000
Furniture, fixtures and equipment .....	164,657,000	146,563,000
Construction in progress .....	332,000	404,000
Total .....	1,159,205,000	1,140,804,000
Less: Accumulated Depreciation (Note 2) .....	(326,663,000)	(289,459,000)
Net Property and Equipment .....	<u>\$ 832,542,000</u>	<u>\$ 851,345,000</u>

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**NOTE 4 - LONG TERM DEBT**

Long-term debt consists of the following:

	December 31,	
	2004	2003
Note Payable - TAC and TAC Funding 11.25% First Mortgage Notes, due 2006 (a) . . . . .	\$ 800,000,000	\$ 800,000,000
Note Payable - TAC, TAC Funding II and TAC Funding III 11.25% First Mortgage Notes, due 2006, net of unamortized discount of \$0 and \$303,000 respectively (b) . . . . .	36,750,000	36,447,000
Capitalized lease obligations (c) . . . . .	<u>29,451,000</u>	<u>20,217,000</u>
	866,201,000	856,664,000
Less: current maturities . . . . .	(11,965,000)	(9,960,000)
Less: long-term debt, subject to compromise . . . . .	<u>(836,750,000)</u>	<u>(836,447,000)</u>
	<u>\$ 17,486,000</u>	<u>\$ 10,257,000</u>

(a) In April 1996, TAC and Trump Atlantic City Funding, Inc., a wholly owned subsidiary of TAC ("TAC Funding"), issued \$1,200,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC I Notes"). As of December 31, 2004, the TAC I Notes are technically in default based upon the matters described in Note 1. In connection with the chapter 11 plan of reorganization filed by the Debtors, this debt has been classified as long-term debt subject to compromise on the December 31, 2004 balance sheet pursuant to SOP 90-7.

(b) In December 1997, TAC and Trump Atlantic City Funding II, Inc. ("TAC Funding II") issued \$75,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC II Notes"). In December 1997, TAC and Trump Atlantic City Funding III, Inc. ("TAC Funding III") issued \$25,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC III Notes" and together with the TAC I Notes and TAC II Notes, the "TAC Notes"). As of December 31, 2004, the TAC II Notes and TAC III Notes are technically in default based upon the matters described in Note 1. In order to record its debt instruments at the amount of the claim expected to be allowed by the Bankruptcy Court in accordance with SOP 90-7, Taj Associates wrote off as reorganization expense the unamortized debt discount and deferred financing costs associated with the TAC II Notes and TAC III Notes to record the debt at par value. Additionally, this debt has been classified as long-term debt subject to compromise on the December 31, 2004 balance sheet pursuant to SOP 90-7.

From the proceeds of the issuance of the TAC Notes, TAC loaned \$800,000,000 and \$36,750,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the TAC Notes.

(c) Interest on these leases are payable with interest rates ranging from 6.0% to 18.2%. The leases are due at various dates between 2005 and 2008 and are secured by the equipment financed.



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Future minimum payments, excluding the TAC Notes, which represents capital leases as of December 31, 2004, are as follows:

2005 .....	\$	14,674,000
2006 .....		13,539,000
2007 .....		5,038,000
2008 .....		474,000
2009 .....		—
Total minimum payments .....		33,725,000
Less: amount representing interest .....		(4,274,000)
Present value of minimum lease payments .....	\$	<u>29,451,000</u>

The TAC Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, certain capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions.

**NOTE 5 - OTHER ACCRUED EXPENSES**

	December 31,	
	2004	2003
Accrued interest	\$ 62,756,000	\$ 7,520,000
Accrued advertising/marketing	1,348,000	1,346,000
Accrued payroll & related	12,418,000	11,504,000
Accrued CRDA obligation	1,515,000	1,474,000
Accrued litigation	181,000	479,000
Other **	3,638,000	4,355,000
Total	\$ <u>81,856,000</u>	\$ <u>26,678,000</u>

\*\* None of the individual components of Other exceed 5% of the total.

**NOTE 6 - TRANSACTIONS WITH AFFILIATES**

Taj Associates has engaged in certain transactions with Mr. Trump and entities that are wholly or partially owned by Mr. Trump. Amounts receivable/(payable) at December 31 are as follows:

	December 31,	
	2004	2003
Trump Marina Associates ("Marina Associates")	\$ 45,000	\$ (6,000)
Plaza Associates	1,000	15,000
Trump Indiana, Inc.	8,000	(87,000)
Trump Administration	(14,000)	(2,149,000)
TAC	—	4,926,000
TCH	23,000	—
	\$ <u>63,000</u>	\$ <u>2,699,000</u>

Taj Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities that are affiliates of Mr. Trump. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance, and payroll costs, as well as complimentary services offered to customers.

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Beginning in late 1997, the Taj Mahal utilizes certain facilities owned by Mr. Trump to entertain high-end customers. Management believes that the ability to utilize these facilities has enhanced Taj Associates revenues. In 2004 and 2003, Taj Associates incurred approximately \$267,000 and \$28,000, respectively, for customer costs associated with such utilization. In addition, in exchange for having Mr. Trump's plane available to customers of the Taj Mahal, Taj Associates has incurred pilot costs of approximately \$140,000 and \$139,000 for the years ended December 31, 2004 and 2003, respectively.

Trump Taj Mahal Associates Administration, a separate division of Taj Associates ("Trump Administration") was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to Taj Associates, Plaza Associates and Marina Associates. Management believes that Trump Administration's services will continue to result in substantial cost savings and operational synergies.

**Executive Agreement**

On April 10, 2003, Mr. Trump, THCR and THCR Holdings entered into an Amended and Restated Executive Agreement (the "Amended Executive Agreement"). The Amended Executive Agreement amended and restated the then existing Executive Agreement and is effective as of January 1, 2003. The Amended Executive Agreement was amended on September 17, 2003 to add TAC as a party. Pursuant to the Amended Executive Agreement, Mr. Trump has agreed to act as President and Chief Executive Officer of THCR and its subsidiaries, if requested. THCR has agreed to nominate Mr. Trump to serve as a director of THCR and, if elected, to appoint him as its Chairman. The initial term of the Amended Executive Agreement is three years and, thereafter, it is automatically extended so that the remaining term on any date is always three years, until such time during such rolling term that either party gives written notice to the other of its election not to continue extending such term, in which case the term shall end three years from the date of which such notice is given. THCR can terminate the Amended Executive Agreement if Mr. Trump fails to maintain various material casino gaming licenses and authorizations and the loss of such licenses has a material adverse effect on THCR and its subsidiaries.

Under the Amended Executive Agreement, Mr. Trump's annual base salary is \$1.5 million per year, beginning January 1, 2003. In addition, from and after January 1, 2003, Mr. Trump will be paid additional fixed compensation of \$1.5 million per year if THCR achieves consolidated EBITDA (as defined) of \$270 million in any year and incentive compensation equal to 5.0% of THCR's consolidated EBITDA in excess of \$270 million. The term "Consolidated EBITDA" means, with respect to THCR and its consolidated subsidiaries, for any period, an amount equal to the sum of (i) the net income (or loss) of THCR and its consolidated subsidiaries for such period determined in accordance with generally accepted accounting principles, consistently applied, excluding any extraordinary, unusual or non-recurring gains or losses, plus (ii) all amounts deducted in computing such net income (or loss) in respect of interest (including the imputed interest portions of rentals under capitalized leases), depreciation, amortization and taxes based upon or measured by income, plus (iii) other non-cash charges arising from market value adjustments and adjustments pertaining to contributions of deposits in each case in respect of CRDA bonds. Additional fixed compensation and incentive compensation for a given year shall not be deducted in determining net income of THCR for such year. Under the Plan, the Amended Executive Agreement would be terminated and Mr. Trump would enter into a new services agreement with THCR and THCR Holdings.

**Donald J. Trump Investment Agreement**

As described above, on January 25, 2005, THCR, THCR Holdings and Donald J. Trump entered into an investment agreement (the "DJT Investment Agreement"), pursuant to which Mr. Trump has agreed to invest \$55 million in THCR Holdings and contribute approximately \$16.4 million aggregate principal face amount of TCH Second Priority Notes beneficially owned by him (including interest accrued thereon) in exchange for shares of common stock (or common stock equivalents) of recapitalized THCR in connection with the Plan. The Debtors and Mr. Trump expect to amend the DJT Investment Agreement in connection with the stipulation entered into on March 30, 2005 by the Debtors, the Equity Committee and certain other parties. Mr. Trump's investment agreement also contains certain ancillary agreements to be executed with certain of the Debtors on the effective date of the Plan, including a services agreement, trademark license agreement (and related trademark security agreement), voting agreement, right of first offer agreement, warrant agreement and agreements assigning THCR Holdings' 25% interest in the Miss Universe Pageant to Mr. Trump. The DJT Investment Agreement and related agreements are subject to the terms and conditions set forth therein and are subject to the approval of the Bankruptcy Court.

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**NOTE 7 - COMMITMENTS AND CONTINGENCIES**

Prior to filing for bankruptcy, the Company entered into certain contractual arrangements. These contracts, which are considered pre-petition, may be impacted by the Debtors' bankruptcy, and as such, the Company will either accept or reject these contracts as part of the bankruptcy proceedings. Any claims with respect to these agreements would be subject to Bankruptcy Court approval and limitations on the amount of such claims.

Operating Leases

Taj Associates leases certain property, warehouse space and various equipment under operating leases. Rent expense for the years ended December 31, 2004 and 2003 was \$4,168,000 and \$4,247,000, respectively.

Future minimum lease payments under noncancellable operating leases as of December 31, 2004 are as follows:

2005 .....	\$	4,131,000
2006 .....		2,356,000
2007 .....		2,256,000
2008 .....		334,000
2009 .....		344,000
Thereafter .....		355,000
	\$	<u>9,776,000</u>

Certain of these leases contain options to purchase the leased properties at various prices throughout the lease terms.

Employment Agreements

As of December 31, 2004, Taj Associates had an aggregate minimum contractual obligation, of approximately \$4,286,000 under various employment agreements with certain employees, of which approximately \$1,750,000 will be reimbursed through the Trump Taj Mahal Administration's Casino Services Agreement. These commitments mature at various dates through 2006.

CAFRA Agreement

Taj Associates received a permit under the Coastal Area Facilities Review Act ("CAFRA") (which included a condition of Taj Associates' casino license) that initially required Taj Associates to begin construction of certain improvements on the Steel Pier by October 1992, which improvements were to be completed within 18 months of commencement. Taj Associates initially proposed a concept to improve the Steel Pier, the estimated cost of which was \$30,000,000. Such concept was approved by the New Jersey Department of Environmental Protection, the agency which administers CAFRA. In March 1993, Taj Associates obtained a modification of its CAFRA permit providing for the extension of the required commencement and completion dates of the improvements to the Steel Pier for one year, which has been renewed annually based upon an interim use of the Steel Pier as an amusement park. The pier sublease terminates on December 31, 2012 unless extended.

Employee Benefit Plan

Taj Associates participates in a retirement savings plan, the 401(k) Plan, for its nonunion employees under Section 401(k) of the Internal Revenue Code. Employees are eligible to contribute up to 30% of their earnings (as defined) to the 401(k) Plan up to the maximum amount permitted by law, with Taj Associates matching 50% of an eligible employee's contributions up to a maximum of 6% of the employee's earnings. In connection with the 401(k) Plan, Taj Associates recorded charges of \$1,724,000 and \$1,794,000 for matching contributions for the years ended December 31, 2004 and 2003, respectively.

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Taj Associates makes payments to various trustee multi-employer pension plans under industry-wide union agreements. The payments are based on the hours worked by or gross wages paid to covered employees. Under the Employee Retirement Income Security Act, Taj Associates may be liable for its share of the plan's unfunded liabilities, if any, if the plans are terminated. Pension expense charged to operations for the years ended December 31, 2004 and 2003 was \$2,994,000 and \$2,754,000 respectively.

Taj Associates provides no other material, post-retirement or post-employment benefits.

New Jersey Casino License Regulations and Renewal

The operation of an Atlantic City hotel and casino is subject to significant regulatory controls that affect virtually all of its operations. Under the Casino Control Act, Taj Associates is required to maintain certain licenses. Casino licenses must be renewed periodically, are not transferable, are dependent on the financial stability of the licensee and can be revoked at any time.

In June 2003, the New Jersey Casino Control Commission (the "CCC") renewed Taj Associates' casino license to operate the Taj Mahal for a period of four years through June 25, 2007. Upon revocation, suspension for more than 120 days, or failure to renew a casino license, the Casino Control Act provides for the mandatory appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

Gaming Taxes

The Atlantic City Casinos are required to pay an annual tax of 8.0% on their gross casino revenues. For the years ended December 31, 2004, and 2003, Taj Associates gross revenue tax was approximately \$40,285,000, and \$41,244,000 respectively.

Legal Proceedings

On November 21, 2004, the Debtors filed voluntary petitions for relief in the Bankruptcy Court under chapter 11 of the Bankruptcy Code. As debtors-in-possession, the Debtors are authorized under chapter 11 to continue to operate their businesses while under the jurisdiction of the Bankruptcy Court. As of the petition date, pending litigation against the Debtors is generally stayed, and absent further order of the Bankruptcy Court, substantially all pre-petition liabilities of the Debtors are subject to settlement under a plan of reorganization. The Plan contemplates that general unsecured claims that are allowed by the Bankruptcy Court would be paid in full.

The United States trustee in the Debtors' chapter 11 cases has appointed the Equity Committee to represent the interests of equity holders of THCR in connection with the cases. The Equity Committee had filed a number of motions opposing the Debtors' chapter 11 cases and raised certain objections to the Plan (including a recommendation that each stockholder of THCR vote to reject the Plan) that were summarized in a letter enclosed with the solicitation materials accompanying the Disclosure Statement that was distributed to THCR's stakeholders entitled to vote on the Plan. In addition, the Equity Committee and the Debtors had engaged in extensive litigation activities including depositions, document requests and other discovery-related matters.

On March 30, 2005, the Debtors and the Equity Committee and certain other parties executed a stipulation, pursuant to which the co-chairs of the Equity Committee, which hold over five million shares of THCR's common stock and had voted against the Plan, agreed to withdraw such votes and instead vote in favor of the Plan, as amended. Based on such support, as well as the acceptances of the Plan already received from other stakeholders entitled to vote on the Plan, the Debtors believe they will receive acceptances from the requisite number and amount of claims and interests represented by creditors and stakeholders to confirm the Plan. The Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan on April 5, 2005. The Debtors will emerge from bankruptcy if and when the Bankruptcy Court approves the Plan and all conditions to the consummation of the Plan have been satisfied or waived. There can be no assurance that the Bankruptcy Court will confirm the Plan or approve the other transactions contemplated in connection with the Plan.

**TRUMP TAJ MAHAL CASINO RESORT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**  
**(Unaudited)**

DLJ Merchant Banking Partners III, L.P. ("DLJMB") has objected to the Plan and asserted a claim for \$25 million, plus expenses of at least \$1 million, against the Debtors with respect to a potential \$400 million equity investment by DLJMB in connection with a proposed recapitalization of the Debtors pursued by the Debtors and DLJMB in 2004. The Debtors are evaluating DLJMB's claim and the impact on the Company's financial position.

On February 8, 2005, certain individuals filed a complaint in the United States District Court for the District of New Jersey, Camden Division, against certain persons and organizations that included members of the Trump Capital Accumulation Plan Administrative Committee. In their complaint, the plaintiffs alleged, among other things, that such persons and organizations, who were responsible for managing the Trump Capital Accumulation Plan, a defined contribution employee benefit plan for certain employees of Taj Associates, Plaza Associates, Marina Associates (f/k/a Trump Castle Associates, L.P.) and Trump Indiana, Inc. (the "401(k) Plan"), breached their fiduciary duties owed to 401(k) Plan participants when THCR common stock held in employee accounts was allegedly sold without participant authorization if the participant did not willingly sell such shares after having received notification that the 401(k) Plan explicitly prohibited holding unlisted securities and that the THCR's unlisted common stock held in the 401(k) Plan would be divested on a specified date if not sold prior to such date by the applicable participant. The plaintiffs have brought this suit under the Employee Retirement Income Security Act of 1974, as amended, on behalf of themselves and certain other 401(k) Plan participants and beneficiaries and have sought to have the court certify their claims as a class action. In their complaint, the plaintiffs also seek, among other things, damages for losses suffered by certain accounts of affected 401(k) Plan participants as a result of such allegedly improper sale of THCR common stock and reasonable costs and attorneys' fees. After extensive negotiations, the Debtors believe that they have reached an agreement in principal with the plaintiffs that would require payment of a maximum of an aggregate of \$1.7 million by the Debtors. However, this resolution is subject to further negotiation by the parties and approval of the Bankruptcy Court, and at this time, the Company cannot predict the outcome of such litigation or its effect on the Company's business.

Taj Associates, certain members of its former Executive Committee and certain of its employees have been involved in various legal proceedings. In general, Taj Associates has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings.

Various legal proceedings are now pending against Taj Associates. Taj Associates considers all such proceedings to be ordinary litigation incident to the character of its business. Taj Associates believes that the resolution of these claims will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations.

Taj Associates is also a party to various administrative proceedings involving allegations that it has violated certain provisions of the Casino Control Act. Taj Associates believes that the final outcome of these proceedings will not, either individually or in the aggregate, have a material adverse effect on its financial condition, results of operations or on the ability of Taj Associates to otherwise retain or renew any casino or other licenses required under the Casino Control Act for the operation of the property.

**Self-Insurance Reserves**

Self-insurance reserves represent the estimated amounts of uninsured claims related to employee health medical costs, workman's compensation and personal injury claims that have occurred in the normal course of business. These reserves are established by management based upon specific review of open claims, with consideration of incurred but not reported claims as of the balance sheet date. The costs of the ultimate disposition of these claims may differ from these reserve amounts.

**Federal Income Tax Examination**

Taj Associates is currently involved in an examination with the Internal Revenue Service (the "IRS") concerning Taj Associates' federal partnership income tax return for the tax years 2002 and 2003. While any adjustment which results from this examination could affect Taj Associates' state income tax return, Taj Associates does not believe that adjustments, if any, will have a material adverse effect on its financial condition or results of operations.

**TRUMP TAJ MAHAL CASINO RESORT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**  
**(Unaudited)**

Casino Reinvestment Development Authority Obligations

Pursuant to the provisions of the Casino Control Act, Taj Associates must either obtain investment tax credits, as defined in the Casino Control Act, in an amount equivalent to 1.25% of its gross casino revenues, as defined in the Casino Control Act, or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified investments, as defined, or by depositing funds which may be converted to bonds by the Casino Reinvestment Development Authority ("CRDA"), both of which bear interest at two-thirds of market rates resulting in a fair value lower than cost. Taj Associates is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

For the years ended December 31, 2004 and 2003, Taj Associates charged to operations, on the date funds were deposited with the CRDA, amounts of \$2,100,000 and \$2,159,000 respectively, to give effect to the below market interest rates associated with CRDA deposits and bonds. From time to time, Taj Associates has elected to donate funds it has on deposit with the CRDA for various projects. Taj Associates is not obligated to make donations to any specific project, and management elects to donate funds based on the specific facts of each potential donation transaction. Donations in the amounts of \$0 and \$2,977,000 were made during the years ended December 31, 2004 and 2003, respectively. As a result of these donations, Taj Associates charged the carrying value to operations of \$0 and \$1,246,000 during the years ended December 31, 2004 and 2003, respectively.

CRDA bonds and investments are included as other long-term assets on the accompanying Balance Sheets and are summarized as follows:

	December 31,	
	2004	2003
CRDA deposits, net of valuation allowance of \$6,516,000 and \$4,673,000, respectively.	\$ 12,678,000	\$ 8,993,000
CRDA bonds, net of valuation allowance of \$978,000 and \$968,000, respectively.	1,582,000	1,561,000
	<u>\$ 14,260,000</u>	<u>\$ 10,554,000</u>

NJSEA Subsidy Agreement

On April 12, 2004, the twelve Atlantic City casinos, including Taj Associates, executed an agreement with the New Jersey Sports & Exposition Authority ("NJSEA") and the CRDA (the "NJSEA Subsidy Agreement"). The NJSEA Subsidy Agreement provides that the casinos, pro rata according to their gross revenues, shall: (1) pay \$34 million to the NJSEA in cash in four yearly payments through October 15, 2007 and donate \$52 million to the NJSEA from the regular payment of their CRDA obligations for use by the NJSEA through 2008 to enhance purses, fund breeders awards and establish account wagering at New Jersey horse racing tracks; and (2) donate \$10 million from the regular payment of their CRDA obligations for use by the CRDA as grants to such other North Jersey projects as the CRDA shall determine. The donation of \$62 million of CRDA obligations is conditioned upon the timely enactment and funding of the Casino Expansion Fund Act, which was enacted effective August 25, 2004 and established the Atlantic City Expansion Fund. The Act further identifies the casino hotel room occupancy fee as its funding source and directs the CRDA to provide the fund with \$62 million and make that amount available, on a pro rata basis, to each casino licensee for investment. By statute, as amended as of January 26, 2005, such funds shall be invested in eligible projects in Atlantic City which, if approved by the CRDA by August 25, 2006, add hotel rooms, retail, dining or non-gaming entertainment venues or other non-gaming amenities including, in certain circumstances, parking spaces or, if approved thereafter, additional hotel rooms. Taj Associates has estimated its portion of the industry obligation at approximately 10.7%.

The NJSEA Subsidy Agreement further provides for a moratorium until January 2009 on the "conduct" of casino gaming at any New Jersey racetrack (unless casinos controlling a majority of the hotel rooms operated by the casinos in Atlantic City otherwise agree), and a moratorium until January 2006 on the "authorization" of casino gaming at any New Jersey racetrack. Violation of the moratorium terminates the NJSEA Subsidy Agreement and all further payment obligations to the NJSEA and requires the NJSEA to return all undistributed cash to the casinos and the CRDA to return all undistributed donated investment alternative tax obligation payments to the casinos.

**TRUMP TAJ MAHAL CASINO RESORT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**  
**(Unaudited)**

**NOTE 8 - PARTNER'S CAPITAL**

*Partnership Distribution*

Pursuant to the indentures governing the TAC Notes, TAC is permitted to reimburse THCR for its operating and interest expenses. These reimbursements are subject to limitations set forth in such indentures, including an annual limitation of \$10,000,000 in operating expense reimbursements and a life-time limitation of \$50,000,000 in interest expense reimbursements. As such, TAC's subsidiaries, Taj Associates and Plaza Associates are permitted to reimburse TAC for its interest expenses and operating expense reimbursements to THCR. During the years ended December 31, 2004 and 2003, Taj Associates declared cash partnership distributions to TAC of \$33,474,000 and \$7,917,000, respectively, consisting of operating expense reimbursements as well as debt renegotiation costs and reorganization expenses.

*Partner's Contribution*

Pursuant to the chapter 11 bankruptcy proceedings THCR obtained \$100,000,000 in debtor-in-possession financing for working capital purposes. During the year ended December 31, 2004 THCR contributed \$8,232,000 to Taj Associates.

**NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying amount of the following financial instruments approximates fair value as follows: (a) cash and cash equivalents, receivables and payables are based on the short-term nature of these financial instruments and (b) CRDA bonds and deposits are based on the allowances to give effect to the below market interest rates.

The estimated fair values of the other financial instruments are as follows:

	<b>December 31, 2004</b>	
	<b>Carrying Amount</b>	<b>Fair Value</b>
TAC and TAC Funding I 11.25% First Mortgage Notes, due 2006 . . . . .	\$ 800,000,000	\$ 772,000,000
TAC and TAC Funding II 11.25% First Mortgage Notes, due 2006 . . . . .	\$ 27,563,000	\$ 26,598,000
TAC and TAC Funding III 11.25% First Mortgage Notes, due 2006 . . . . .	\$ 9,187,000	\$ 8,865,000

The fair values of the TAC Funding Notes, TAC Funding II Notes and TAC Funding III Notes are based on quoted market prices as of December 31, 2004.

The fair value of notes payable approximates their carrying value based on their respective terms.

**TRUMP TAJ MAHAL CASINO RESORT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**  
**(Unaudited)**

**NOTE 10 - FINANCIAL STATEMENTS OF DEBTORS IN POSSESSION**

In accordance with SOP 90-7, presented below are the condensed financial statements of the Debtor (Trump Taj Mahal Associates) that filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Such financial statements have been prepared using standards consistent with Taj Associates financial statements.

Trump Taj Mahal Associates  
Debtor in Possession  
Statement of Operations  
Period from November 21, 2004 to December 31, 2004  
(in thousands)

	2004
Net revenues .....	\$ 46,392
Operating expenses .....	(38,701)
Depreciation and amortization .....	(5,623)
Reorganization expense .....	(2,697)
Income from operations .....	(629)
Interest income .....	189
Interest expense .....	(10,955)
Loss before income taxes .....	(11,395)
Provision for income taxes .....	(257)
Net loss .....	\$ <u>(11,652)</u>



**TRUMP TAJ MAHAL CASINO RESORT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**  
**(Unaudited)**

Trump Taj Mahal Associates  
Debtor in Possession  
Statement of Cash Flows  
Period from November 21, 2004 to December 31, 2004  
(in thousands)

	<u>2004</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net loss .....	\$ (11,652)
Adjustments to reconcile net loss to net cash flows provided by operating activities:	
Non-cash charges:	
Depreciation and amortization .....	5,623
Valuation allowance - CRDA investments .....	146
Provisions for losses on receivables .....	403
Reorganization expense .....	2,697
Changes in operating assets and liabilities	
Trade receivables, net .....	(604)
Inventories .....	(86)
Prepaid expenses and other current assets .....	2,768
Other assets .....	(1,709)
Due from affiliates, net .....	698
Other liabilities .....	3,675
Accounts payable .....	(7,498)
Accrued interest payable .....	10,459
Net cash provided by operating activities .....	<u>4,920</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchases of property and equipment .....	<u>(475)</u>
Net cash used in investing activities .....	<u>(475)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Payments of long-term debt .....	(904)
Distributions to parent company .....	(421)
Contributions from parent company .....	8,232
Net cash provided by financing activities .....	<u>6,907</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS .....</b>	<b>11,352</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD .....</b>	<b>41,753</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR .....</b>	<b>\$ <u>53,105</u></b>

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

# SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED DECEMBER 31, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	77,479	\$ 5,985		
2	Food	381,298	5,975		
3	Beverage	1,597,075	2,673		
4	Travel			21,479	\$ 1,898
5	Bus Program Cash	162,295	2,064		
6	Other Cash Comps	457,057	16,843		
7	Entertainment	1,632	227	5,294	288
8	Retail & Gifts			50,321	1,869
9	Parking				
10	Other **	3,368	276	32,042	493
11	Total	2,680,204	\$ 34,043	109,136	\$ 4,548

\*\* No Complimentary service or item within Other exceeds 5% of the total.

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	323,697	\$ 24,826		
2	Food	1,735,690	25,882		
3	Beverage	6,613,741	10,593		
4	Travel			76,518	\$ 7,212
5	Bus Program Cash	618,658	7,594		
6	Other Cash Comps	1,897,364	64,010		
7	Entertainment	29,205	1,839	18,852	881
8	Retail & Gifts			210,987	5,736
9	Parking				
10	Other **	13,577	947	109,170	1,901
11	Total	11,231,932	\$ 135,691	415,527	\$ 15,730

\*\* No Complimentary service or item within Other exceeds 5% of the total.

# STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF  
COUNTY OF

NEW JERSEY :  
:SS,  
ATLANTIC :

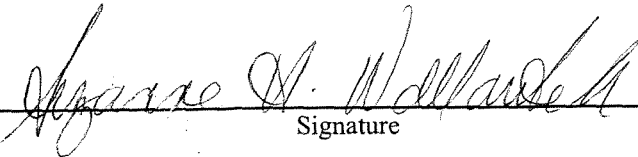
James L. Wright, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before  
me this 31<sup>st</sup> day of March, 2005

  
Signature

Vice President of Finance  
Title

  
Signature

003507-11  
License Number

Suzanne H. Wallowitch  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires November 23, 2008  
Basis of Authority  
to Take Oaths

On Behalf Of:

Trump Taj Mahal Casino Resort  
Casino Licensee

## SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

For the Year Ended December 31, 2004

(UNAUDITED)  
(\$ IN THOUSANDS)

### ACCOUNTS RECEIVABLE BALANCES


LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks .....	\$ 8,626		
2	Returned Patrons' Checks .....	15,227		
3	Total Patrons' Checks .....	23,853	\$ (11,591)	\$ 12,262
4	Hotel Receivables .....	981	(139)	842
	Other Receivables:			
5	Receivables Due from Officers and Employees ..			
6	Receivables Due from Affiliates .....			
7	Other Accounts and Notes Receivables .....	1,940		
8	Total Other Receivables .....	1,940		1,940
9	Totals (Form CCC-205) .....	\$ 26,774	\$ (11,730)	\$ 15,044

### UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1) .....	\$ 9,994
11	Counter Checks Issued (Excluding Counter Checks Issued Through Transactions Relating to Consolidations, Partial Redemptions, Substitutions, and Patrons' Cash Deposits) .....	238,623
12	Checks Redeemed Prior to Deposit (Excluding the Unredeemed Portion of Counter Checks Redeemed Through Partial Redemptions, and Excluding Checks Redeemed Through Transactions Relating to Consolidations, Substitutions, and Patrons' Cash Deposits) .....	(170,907)
13	Checks Collected Through Deposits .....	(52,473)
14	Checks Transferred to Returned Checks .....	(16,611)
15	Other Adjustments .....	
16	Ending Balance .....	\$ 8,626
17	"Hold" Checks Included in Balance on Line 16 .....	\$
18	Provision for Uncollectible Patrons' Checks .....	\$ 2,863
19	Provision as a Percent of Counter Checks Issued .....	1.20%

Under penalties of perjury, I declare that I have examined this Schedule of Receivables and Patrons' Checks and to the best of my knowledge and belief, it is true and complete.

3/25/05  
Date

  
Signature  
V.P. FINANCE  
Title

## ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2004

(\$ IN THOUSANDS)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES at December 31 (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
1	CASINO ADMINISTRATION	6	\$278	\$118	\$397
2	GAMING	1,182	26,459	0	26,459
3	SLOTS	222	7,204	202	7,406
4	CASINO ACCOUNTING	387	11,155	147	11,301
5	SIMULCASTING	9	333	0	333
6	OTHER	12	426	119	546
7	TOTAL-CASINO	1,818	45,855	586	46,441
8	ROOMS	327	7,928	153	8,081
9	FOOD AND BEVERAGE	1,182	23,084	152	23,236
10	OTHER OPERATED DEPARTMENTS				
11	COMMUNICATIONS	24	476	0	476
12	HEALTH CLUB	9	247	0	247
13	RETAIL ADMINISTRARION	3	111	0	111
14	RETAIL OPERATIONS	8	107	0	107
15					
16					
17					
18					
19					
20	ADMINISTRATIVE AND GENERAL EXECUTIVE OFFICE	2	30	800	830
21	ACCOUNTING AND AUDITING	130	3,944	328	4,272
22	SECURITY	289	7,527	112	7,640
23	OTHER ADMINISTRATIVE AND GENERAL DEPARTMENTS	193	7,204	172	7,376
24	MARKETING	192	7,896	2,134	10,031
25	GUEST ENTERTAINMENT	198	3,252	65	3,317
26	PROPERTY OPERATION AND MAINTENANCE	361	11,809	0	11,809
27	TOTALS-ALL DEPARTMENTS	4,736	\$119,471	\$4,502	\$123,973

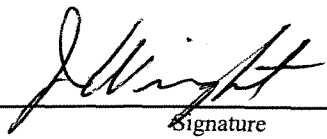
TRADING NAME OF LICENSEE:

TRUMP TAJ MAHAL ASSOCIATES

**ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE**

FOR THE YEAR ENDED DECEMBER 31, 2004

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.

  
\_\_\_\_\_  
Signature  
James L. Wright

March 31, 2005  
Date

Vice President of Finance  
Title

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2004

Line

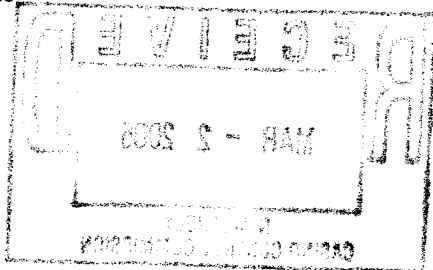
CASINO WIN:

1.	Table and Other Games Win.....	\$ 164,592,688
2.	Slot Machines Win.....	338,689,087
3.	Total Win.....	503,281,775
4.	Recovery for Uncollectible Patrons' Checks.....	286,817
5.	Gross Revenue (line 3 plus line 4).....	503,568,592
6.	Tax on Gross Revenue - Reporting Year (8% of line 5).....	40,285,487
7.	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years .....	1,870
8.	Total Taxes on Gross Revenue (the sum of lines 6 and 7).....	40,287,357
9.	Total (Deposits) Made for Tax on Reporting Year's Gross Revenue.....	(40,285,487)
Settlement of Prior Years' Tax on Gross Revenue		
10.	Resulting from Audit or Other Adjustments - (Deposits) Credits .....	(1,870)
11.	Gross Revenue Taxes Payable (the net of lines 8, 9 and 10) .....	\$ 0

Under penalties of perjury, I declare that I have examined this Gross Revenue Annual Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

2-25-05

Date



Signature

VP of Cas Fin Ops  
Title of Officer